

Grants from Partnership Fund Promote Regional Food Security

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COMPETE's Partnership Fund has awarded grants to Farm Concern International, Cereal Growers Association and Insta Products to help promote food security in East Africa. The three organizations work in East Africa and use innovative approaches to address critical food shortages in the region.

Farm Concern International (FCI) is building grain marketing and trading systems by creating village-based storage facilities for smallholder farmers. The two year \$320,000 project will work with approximately 15,000 smallholder farmers in Meru, Kenya and Bushenyi, Uganda. By setting up storage facilities at the village level smallholder farmers can store their surplus crops instead of selling them at lower prices or losing the crops to rot or infestation from pests. With better storage facilities in place, farmers in Meru and Bushenyi will be able to time the sale of surplus when these staples are scarce in the market. International relief agencies are purchasing surplus staple foods from local farmers to supplement relief efforts throughout the East Africa.

In addition to developing a structured trading system for staple foods, Farm Concern will work with the Eastern Africa Grain Council (EAGC) to develop and roll out training materials on harmonized maize standards and other harmonized cereal standards that have been endorsed by the

East African Community (EAC). Training materials will be produced initially in English for Bushenyi farmers and Kiswahili for Meru farmers.

Cereal Growers Association (CGA) has been awarded a \$248,000, one year grant to establish a system of food storage facilities at the village level which will serve as model centres for grain bulking, quality control, and as hubs for market information in the Trans Mara district in the South Rift region of Kenya and in the Arusha Region in Tanzania. CGA has dubbed this crop storage facility a Model Satellite Store or MoSS. CGA has helped establish more than 60 smallholder associations in these areas. Through training in farming best practices, farmers have been able to dramatically increase their maize productivity. But with increased yields, farmer groups have new challenges, namely how to store and market their grain.

Although growers are farming in a very productive area, they do not have access to appropriate market storage facilities and market information is either unreliable or inadequate. The model satellite stores will become market information resource centres. CGA will link all of the satellite hubs with the EAGC's EGrain trade link and system and Regional Agricultural Trade Intelligence Network (RATIN). A warehouse receipts system will be implemented as part of the overall

strategy to increase market access and improve structured trading systems for smallholder farmers.

A third grant of \$242,000 has been awarded to Insta Products which will allow this firm to increase production capacity for manufacturing a Ready-to-Use Therapeutic Food (RUTF) peanut paste product, which goes by the brand name Plumpy Nut. The product which is made from peanut paste, sugar, oil, and milk powder fortified with 23 vitamins and minerals and is an energy dense food for persons who are severely and acutely malnourished. By sourcing most ingredients within the ECA region, in particular peanut paste from smallholder farmers, and by manufacturing this peanut paste locally, Insta can increase its capacity from 1500 MT to 4500 MT per year and humanitarian relief organizations can obtain RUTF at a lower price with a shorter lead time. UNICEF expects to order just under 5000 tons per annum of Plumpy Nut to address critical food shortages in the region. As part of the grant, Insta will work backwards down the supply chain to help processing firms and FBOs that supply raw materials to reduce levels of aflatoxin in groundnuts as well as other interventions to meet the specific requirements of the relief agencies.



Partnership Fund Grantees

(From top) Farm Concern International, Insta Products and Cereal Growers Association

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Kenyan Widows Reap More Than Profits From Maize Sales

“With this business I shall not depend on my relatives who see me as a liability.”

Four years ago life was a lot different for Christine Nyogi who lives in Anagata-Barrakoi village in Kenya's Trans Mara District. She had lost her husband to HIV/AIDS and with no regular income she could not afford to send her children to school. Life was an emotional and financial struggle. Christine and other HIV/AIDS widows in the village formed the Koptigei Widows Group as a way to find emotional support and cope with their loss. Within a few years, the 89 members of the Koptigei Widows Group were determined to find a way to support themselves financially too and decided that they could collectively start a profitable business growing maize.

The women already had skills in planting and harvesting maize and wanted to find a better way of marketing their product. For several years, farmers in Angata-Barrakoi sold their maize harvest to middlemen who in turn sold it to traders and processors at higher price. If the widows group could sell directly to a buyer, they could make more money for themselves and their families. Since the project's formal launch in April 2009, COMPETE has been working with farmer based organizations and humanitarian relief agencies to forge partnerships that promote better access to markets for smallholder farmers. COMPETE grantee, Cereal Growers Association (CGA), is working with organizations like the Koptigei Widows Group and helping them become registered entities that can conduct business and sell crops directly to buyers such as the World Food Programme's Purchase for Progress initiative.

With COMPETE's support, CGA conducted training with the Koptigei Women's Group on business skills, cleaning and drying maize as well as weighing and measuring moisture so that it meets standards of Kenya's National Cereal Produce Board. CGA linked the widows group to WFP who then signed a contract with them to buy 250 metric tons of their maize through the Purchase for Progress Program.

On October 23rd, Christine Nyogi, chair of the Koptigei Widows Group received a check for KSh 2.6 million (USD \$35,135) from WFP for the purchase of 100 metric

tons of maize. From WFP's point of view it is cost effective to buy locally and trade from areas of surplus to areas of deficit. The grain harvested in Angata-Barrakoi is destined for drought affected districts of Marigat and Baringo. For the Koptigei Women's Group, the benefits are even more direct. A beaming Ms. Nyogi said, “I am happy. I will be able to take my children to school.”

The Koptigei Widows Group has become a marketing model for linking smallholder producers directly to large scale buyers and processors. This model will now be replicated in thirty villages across East and Central Africa in 2009 - 2010.



Christine Nyogi, Chair of the Koptigei Widows Group holds a bill of sale from WFP for KSh 2.6 million for sale of 100 metric tons of maize.

Lusaka Workshop on Warehouse Receipts

At the end of September, COMPETE's Staple Foods team supported the Eastern Africa Grain Council (EAGC) hosted a Warehouse Receipts and Commodity Exchange meeting in Lusaka, Zambia. A grant to EAGC through COMPETE's Partnership Fund provided significant funding for this meeting, which brought together key players in the region (160 participants), to illustrate successes, and learn from failures so far in starting Structured Trading Systems (STS) in Eastern and Southern Africa. Strengthening STS so that it allows smallholders to access commercial markets is one of the key mandates in the COMPETE staple foods component, but it will only work when post harvest quality is guaranteed, storage facilities are improved, and buyers secured. Both private sector buyers, and WFP's new Purchase for Progress (P4P) initiative have the potential to purchase increasing quantities of staple food products from well organised farmer based organisations (FBOs).

Delegates from the Lusaka WRS/COMEX conference visited an FBO at

Chongwe, 40kms east of Lusaka, where small scale maize farmers had stored 50 tonnes of product in a ZAMACE (Zambian Agricultural Commodity Exchange) certified feeder warehouse, while awaiting purchase and collection by a local trader through ZAMACE. It is likely that COMPETE will be providing further funding to ZAMACE to allow it to operate more widely in regional trading since it is still a fairly nascent organisation. The field visits in Zambia were co-hosted by the USAID Profit Program, and ZAMACE, and provide a good example of how COMPETE is working with the bilateral programs on the ground in each of COMPETE's target countries.



U.S. Buyers Look to Source Africa as an Emerging Brand for Quality African Apparel

Eighteen African firms exhibited clothing and accessories at the MAGIC apparel trade show in Las Vegas, Nevada, U.S.A. as part of the Source Africa Pavilion, a collaborative effort of the USAID Competitiveness and Trade Expansion Program (COMPETE) East and Central Africa Trade Hub (ECA Trade Hub), the Southern Africa Trade Hub, the West Africa Trade Hub, and Enterprise Mauritius. Source Africa Pavilion exhibitors came from Ethiopia, Rwanda, Kenya, Mauritius, Madagascar, South Africa and Cameroon. MAGIC (Men's Apparel Guild in California) is the largest trade show of its kind in the United States. It is held twice a year and hosts global buyers and sellers of apparel, footwear, accessories and sourcing resources.



Fassil Tadesse of MAA Garment joins in a matchmaking session.

Deals are being finalized and the COMPETE ECA Trade Hub-sponsored exhibitors have plenty of exciting news to report. The show generated over 300 leads for the participating companies. Exclusive matchmaking sessions were arranged with high profile brands like American Eagle Outfitters, JC Penney, Coldwater Creek, Urban Outfitters, Orvis, and Abercrombie & Fitch. Kenyan company, United Aryan Ltd. (UAL) attracted the interest of several buyers with its ladies skinny jeans promotion, offering jeans at prices well below Chinese manufacturers. UTEXRWA from Rwanda has a deal with a major U.S. restaurant supplier to produce thousands of placemats. TSI Sportswear, one of the top ten licensees for U.S. collegiate sportswear, is placing a huge order with Ethiopian firm Almeda for T-Shirts.

Africa is seen as an emerging source location and a viable alternative for buyers wishing to diversify or shift production from Asia. After several years of participating in this trade show, perseverance is paying off. Source Africa has become a serious brand name at MAGIC. Thousands of buyers attending the show were able to see what African



Representatives of Rwanda's UTEXRWA are ready to receive buyers at their booth.

firms had to offer. COMPETE's ECA Hub helps African companies become more competitive in the regional and global marketplace. COMPETE's overall goal is to increase the value and volume of trade from East and Central Africa by 30%. To gear up for this event, the COMPETE ECA Trade Hub engaged a textile expert to work with promising apparel manufacturers in Ethiopia, Rwanda and Kenya to improve the technical aspects of production from uniform stitch length, to fabric dyeing, and fabric finishing meeting exacting standards for international orders.

EAFCA Marks 10 Year Anniversary

The Eastern African Fine Coffees Association (EAFCA) celebrated its tenth anniversary on September 18th. During the past 10 years EAFCA has grown from 31 to a 150 member strong organization. It has achieved a number of critical milestones including building of strategic partnerships with specialty coffee associations of America, Europe and Japan, launching initiatives to enhance the quality of coffees such as the "Know Your Cup" (KYC) Coffee Farmers Program and the National Taste of Harvest Competitions, and promoting domestic coffee consumption through Barista Training and Competitions through training on grading, roasting, brewing and cupping

which is conducted through the new EAFCA Coffee Quality Institute. The KYC Program trains farmers to improve their agricultural practices and improve coffee quality; to date, a total of 2,136 smallholder farmers have been trained under this program. The climax of EAFCA's 10th anniversary year will be the 7th Annual Fine Coffee Conference and Exhibition in Mombasa, Kenya in February 2010 under the theme, "A Celebration at the Gateway". Hundreds of coffee professionals are expected to attend this event and registration is on-going. More information can be found at www.eafca.org.



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COMPETE works to :

- Reduce barriers to trade
- Enhance the competitiveness of selected value chains including staple foods
- Promote investment and trade between the U.S. and East and Central Africa

For more information about COMPETE, visit our website, www.competeafrica.org or

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The Competitiveness and Trade Expansion Program



Events Calendar

Date	Event	Venue	Find Out More
24 – 27 October	COMESA Meeting of Infrastructure Ministers	Djibouti	www.comesa.int
29 -31 October	EAC Customs Meeting	Arusha, Tanzania	www.eac.int
2 – 3 November	U.S. – COMESA TIFA Meeting	Lusaka, Zambia	www.comesa.int
5 – 6 November	3 rd African Grain Trade Summit	Dar es Salaam, Tanzania	www.graintradesummit.com
18 – 19 November	COMPETE/ACTIF East African Textile and Apparel Stakeholders Capacity Building Workshop	Addis Ababa, Ethiopia	
25 – 26 November	NEPAD Transport Summit	Midrand, South Africa	www.nepadtransportsummit.org